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June 24, 2004

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JUN 24 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RE: Section 251 Unbundling Obligations for Incumbent Local Exchange Carriers, CC Docket No. 01-338; Implementation of Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98; Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147

Dear Ms. Dortch:

The attached letter from Susanne Guyer of Verizon was provided to Chairman Powell and Commissioners today. Please place it on the record in the above proceeding.

Please let me know if you have any questions.

Sincerely,

Attachments

cc: Chairman Michael Powell
Commissioner Abernathy
Commissioner Adelstein
Commissioner Copps
Commissioner Martin
William Maher
Jeffrey Carlisle
Michelle Carey
Thomas Navin
John Rogovin
John Stanley
Bryan Tramont
Jonathan Cody
Christopher Libertelli
Matthew Brill
Jordan Goldstein
Jessica Rosenworcel
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June 24, 2004

Chairman Michael K. Powell
Commissioner Kathleen Q. Abernathy
Commissioner Michael J. Copps
Commissioner Kevin J. Martin
Commissioner Jonathan S. Adelstein
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Powell and Commissioners:

In response to reports that the Commission is considering interim and permanent rules to replace the unbundling requirements that were vacated by the D.C. Circuit in *USTA II*, we have compiled the accompanying materials as a resource for the Commission.

There are two attachments to this letter, each of which addresses a principal category of rules that were vacated by the court – high-capacity facilities and mass-market switching. Most of the material consists of maps that show where Verizon is facing competition in its largest MSAs. These maps can provide the Commission with a clearer picture of the marketplace today and help you to adopt rules that conform to the court's decision.

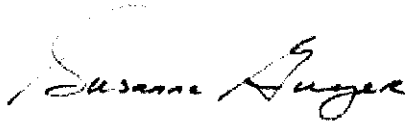
- High-capacity facilities: With respect to high-capacity facilities, the D.C. Circuit emphasized that the Commission must recognize competitors' ability to use special access purchased from incumbents and must infer that competition is possible in broader markets from evidence of actual competition in particular areas or on particular routes. Demand for high-capacity service is highly concentrated, and competitors are meeting that demand with targeted facilities. Verizon provides evidence, on an MSA-by-MSA basis, that competitors are capable of – and, indeed, are – competing for high-capacity services where demand exists throughout the top 20 MSAs served by Verizon. These competitors are using either their own facilities or a combination of competitive facilities and special access purchased from Verizon. This evidence demonstrates that competitive entry is possible without UNEs. Therefore, competitors are not impaired without unbundled access to high-capacity facilities.
- Mass-market switching: With respect to mass-market switching, developments since the time of the *Triennial Review* have rendered many of the debates increasingly academic. Cable companies now offer local telephone service, whether circuit

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switched or VOIP, to 12 million homes in Verizon's service areas alone, and are aggressively rolling service out to many millions more. Between 85-90 percent of U.S. homes now have access to cable modem service and, therefore, access to VoIP, whether provided by their cable operator, by national providers such as Vonage, by major long distance carriers such as AT&T, or by others. Wireless carriers have continued to make substantial gains at the expense of mass-market wireline service – with nearly 20 million new wireless lines and more than double the percentage of users giving up their landline phones since the time of the *Triennial Review* proceeding. Meanwhile, the number of wireline lines has declined. Wireless carriers and other intermodal competitors also continue to displace billions of minutes of traffic that otherwise would be transmitted over wireline networks. And competing carriers now have deployed some 10,000 circuit and packet switches nationwide. They are using their switches to serve more than 2 million mass-market customers located throughout the top 25 MSAs in Verizon's areas. This evidence demonstrates that competitive entry for mass-market switching is possible without UNEs and, therefore, competitors are not impaired without unbundled access to mass-market circuit switching.

Sincerely,

A handwritten signature in cursive script, appearing to read "Suzanne Luger".

Senior VP Federal Regulatory Affairs

Attachments

Before the
Federal Communications Commission
Washington, D.C. 20554

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In the Matter of)

Review of the Section 251 Unbundling)
Obligations of Incumbent Local Exchange)
Carriers)

CC Docket No. 01-338

Implementation of the Local Competition)
Provisions of the Telecommunications Act of)
Act)

CC Docket No. 96-98

Deployment of Wireline Services Offering)
Advanced Telecommunications Capability)

CC Docket No. 98-147

EX PARTE

Technological and Market Developments Since the *Triennial Review* Further
Demonstrate that Competitors Are Not Impaired Without Access to Unbundled
Mass Market Switching

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June 2004

Technological and Market Developments Since the *Triennial Review* Further Demonstrate that Competitors Are Not Impaired Without Access to Unbundled Mass Market Switching

During the course of the *Triennial Review* proceeding, Verizon and others submitted voluminous evidence demonstrating the extensive deployment of competitive switching and the emergence of intermodal alternatives.

Since that time, as outlined below, the widespread deployment of competing voice telephone services by cable companies and VoIP providers, as well as increasing competition from wireless and other intermodal providers, has rendered much of the debate at the time of the *Triennial Review* proceeding academic. These developments conclusively show that competition is not impaired without access to unbundled mass market switching.

First, as a general matter, developments since the time of the *Triennial* further demonstrate that competition is not impaired without unbundled switching nationwide.

- As of the end of 2003, cable companies already offered circuit-switched voice telephony to 15 percent of homes nationwide, and were rolling out VoIP to many more.
- By the end of 2004, cable companies plan to offer VoIP to more than 24 million homes over their networks, and plan to offer it to at least 20 million more the following year; and of course the number of lines is even larger.
- Regardless of whether cable companies themselves offer VoIP, the 85-90 percent of U.S. homes that have access to cable modem service also have access to VoIP from multiple providers ranging from the major long distance carriers to national VoIP providers like Vonage.
- Wireless carriers are aggressively competing both for lines and for traffic: since the time of the *Triennial*, the number of wireless lines has grown from 137 million to 155 million while the number of wireline lines has declined; the percentage of users giving up their landline phones has grown from 3-5 percent to 7-8 percent; and wireless traffic has grown from 16 to 29 percent of all voice traffic and to 43 percent of long distance traffic.
- Competing carriers now have some 10,000 circuit switches and packet switches nationwide, and have used their switches to provide voice telephone service in wire centers that contain 86 percent of Bell company access lines nationwide.

Second, these developments are particularly pronounced in the areas served by Verizon, as demonstrated below and in the accompanying maps for the top 25 MSAs

(based on number of access lines) where Verizon provides local services as the incumbent.

- Cable companies already offer voice telephone service, either circuit-switched or VoIP, to more than 12 million homes in Verizon's service areas.
- Regardless of whether the cable companies themselves offer VoIP, approximately 92 percent of the population in Verizon's top 25 MSAs now have access to cable modem service, and therefore also have access to VoIP from numerous alternative VoIP providers at competitive prices.
- Wireless service is available from multiple competing providers in Verizon's top 25 MSAs at prices that are directly competitive with wireline voice telephone service.
- Competing carriers are using their own switches to serve at least 2.1 million mass market lines in Verizon's top 25 MSAs, and, as demonstrated in the accompanying maps, are capable of and are serving mass market customers throughout these MSAs.
- This evidence is summarized in the attached maps and attachments.

Background

In the *Triennial Review Order*, the Commission imposed a nationwide unbundling obligation for mass market circuit switching. In doing so, the Commission made five key determinations:

- *First*, the Commission predicated its nationwide impairment finding on the need to obtain “hot cuts” to connect unbundled loops to competitive switches. *See, e.g., TRO ¶ 422.*
- *Second*, the *Order* established “triggers” for removing unbundling obligations for mass market switching where there are multiple providers in a given market, and delegated to the states the responsibility to define the relevant market and to determine where the triggers are met (and where carriers therefore are not impaired). *See, e.g., TRO ¶¶ 498-505.*
- *Third*, the *Order* recognized that there are other instances where, even though the triggers are not satisfied, competition is possible (and therefore there is no impairment), and it delegated to states the task of determining where that is the case. *See, e.g., TRO ¶¶ 424, 294.*
- *Fourth*, the *Order* downplayed the significance of competition from intermodal competitors such as cable companies and wireless on the grounds that, at the time, it was “difficult to predict at what point cable telephony will be deployed on a more widespread basis,” and on the grounds that it lacked evidence at the time showing that wireless “act[ed] broadly as an intermodal replacement for traditional circuit switches.” *See, e.g., TRO ¶¶ 444-45.*
- *Fifth*, the *Order* concluded that there is no impairment (and therefore no unbundling obligation) with respect to circuit switching to serve enterprise level customers, or with respect to packet switching or the packet switching capabilities of hybrid loops. *See, e.g., TRO , ¶¶ 537-541, 451-458.*

In *USTA II*, the D.C. Circuit vacated the rules requiring unbundling of mass market switching. 359 F.3d at 658-571. The Court reached six key conclusions that are relevant to switching facilities.

- *First*, the Court held that issues related to hot cuts did not provide a lawful predicate for the Commission’s impairment finding, and that any such issues could be addressed directly through more narrowly tailored alternatives that did not impose all the costs associated with unbundling. 359 F.3d at 568-71.
- *Second*, the Court “vacate[d] the Commission’s scheme for subdelegating mass market switching determinations” to the states, including “crucial decisions regarding market definition and application of the FCC’s general impairment standard to the specific circumstances of those markets.” 359 F.3d at 567, 568.

- *Third*, the Court specifically noted that as to “mass market switching . . . the evidence indicated the presence of many markets where CLECs suffered no impairment in the absence of unbundling.” 359 F.3d at 587.
- *Fourth*, the Court reiterated that the critical impairment inquiry is whether competing providers are *capable* of competing without UNEs – that is, whether “competition is possible,” not whether one or more competitors are already competing in a given market *see* 359 F.3d at 575 – and that the Commission must consider competitive deployment in one market in determining whether competition is impaired in a “similarly situated” market where competitors have not yet deployed (or have deployed to a lesser extent), *id.* *See also id.* at 571 (issue is “whether a market is suitable for competitive supply”).
- *Fifth*, the Court expressly noted that “we reaffirm *USTA I*’s holding that the Commission “cannot ignore intermodal alternatives,” and found that it “need not decide” whether the Commission had assigned appropriate weight to this factor because it vacated the rules on other grounds. *Id.* at 572-73.
- *Sixth*, the Court affirmed the Commission’s determinations that there are no unbundling obligations for enterprise level switching or for the packet switching capabilities of hybrid loops (which is the only aspect of the Commission’s packet switching determinations that was challenged).

Cable Company Deployment of Competing Voice Telephone Services Has Expanded Exponentially Since the *TRO* Proceeding

At the time of the *Triennial Review* proceeding, cable companies already offered circuit-switched voice telephone services to approximately 10 million homes across the country. Since that time, the deployment of competing telephone services by cable companies has expanded exponentially as cable companies roll out VoIP service over their cable networks.

- A. Cable companies initially began providing voice telephone service using traditional circuit switches, and are now aggressively rolling out VoIP service to their customers.
- As of the end of 2003, cable companies already offered circuit-switched voice telephone services to approximately 15 percent of homes nationwide.
 - In addition, cable companies now offer voice telephone service to millions of additional homes using VoIP, and have announced plans to offer VoIP to more than 24 million homes by the end of 2004 and at least 20 million more the following year.
 - The number of lines is even greater because many homes have more than one line.
 - Within two years, roughly 82 percent of US households will have access to voice telephone service from their cable operator.
- B. While cable companies are aggressively competing for mass market customers across the country, this competition is particularly advanced in the areas where Verizon provides local telephone services.
- Cable companies already offer voice telephone service to more than 12 million homes in Verizon's service areas, either circuit-switched or VoIP, and have announced that they will offer service on a much wider basis by the end of this year.
 - Each of the major cable companies has major concentrations of customers in Verizon's service areas, and either already is offering or is in the process of rolling out voice telephone service to large numbers of customers. *See Attachment 1.*
 - *Cablevision* was the first cable operator to offer VoIP service throughout its service area in New York and New Jersey.
 - *Cablevision* now offers VoIP to the 4 million homes it passes in the New York metropolitan area and in New Jersey, and it is now adding 3,200 VoIP customers per week.

- Cablevision offers unlimited local and long distance telephone service for \$34.95.
- Cablevision also recently rolled out a new bundled offering that includes unlimited local and long distance telephone calls plus digital cable and high speed Internet access for \$89.85, about the same amount many of its customers already pay just for digital cable and high speed Internet access. Customers “are essentially receiving their voice service for free,” according to Cablevision.
- *Time Warner* now offers VoIP service in 16 markets and will deploy VoIP to “essentially all” of its markets nationwide by the end of 2004, where it passes a total of 19 million homes.
 - Time Warner’s systems pass at least 8 million homes in Verizon’s service territories.
 - Time Warner has introduced a package of unlimited local and long distance telephone service for \$39.95, when purchased with other services.
 - Time Warner has entered into deals with the major long distance carriers who will assist Time Warner with “provisioning . . . , termination of IP voice traffic to the public switched network, delivery of enhanced 9-1-1 service, local number portability and carrying long distance traffic.”
- *Comcast* already offers circuit-switched voice service to more than nine million homes nationally and will offer VoIP to half of the 40 million homes it passes by the end of 2005 and to all of the homes it passes by the end of 2006.
 - In Verizon’s service areas, Comcast already offers circuit-switched voice telephone services to approximately 6 million homes throughout eastern Massachusetts and in Pittsburgh, Richmond and Alexandria, Portland, Dallas, Seattle, Los Angeles and Orange County.
 - Comcast offers local and long distance telephone service for \$49.99 or less.
 - If its VoIP roll out in Verizon’s service areas reflects the national average, Comcast also will offer VoIP to 7.5 million of the homes it passes in Verizon’s service areas by the end of next year and to the approximately 15 million homes it passes by the end of 2006.

- Cox already offers circuit-switched voice service to more than half of the 10 million homes it passes nationally, and is now moving to roll out VoIP service in additional markets.
 - In Verizon's service areas, Cox already offers circuit-switched voice telephone service to approximately 1.7 million homes, including the entire state of Rhode Island and in its service areas in the Tidewater region of Virginia and Orange County California, and Cox recently added service in Fairfax County, Virginia.
 - Cox offers local and long distance telephone service for \$49.95
 - Cox also offers VoIP to approximately 77,000 homes in Roanoke, Virginia, and has announced plans to offer VoIP in additional markets this year.
- Charter has announced that it plans to offer VoIP services to at least one million of the homes that it passes nationally in 2004.
 - In Verizon's service areas, Charter has announced that it plans to offer VoIP in Massachusetts, where it passes 284,000 homes, this year.
- Starpower/RCN offers circuit-switched voice telephone service in its service areas in eastern Massachusetts and in the metropolitan Washington DC area.
 - For example, RCN offers its Megaphone service with unlimited local and long distance service for \$55.00 or less.

C. Cable companies are aggressively targeting both residential and business customers.

- “[Cablevision] Lightpath provides voice, data, and Internet communications services over a state-of-the-art fiber-optic network to the New York, New Jersey, and Connecticut business market . . . with . . . more than 140,000 access lines and 18,000 Internet circuits.”
- Cox Business Services provides data, voice, and transport services to more than 100,000 customers. More than 320,000 businesses lie within 100 feet of Cox's network, providing Cox a “significant opportunity.”
- RCN has “signed several agreements to expand its business” to provide “voice, video, data, business cable, Internet access, transport,” to “customers including universities, hospitals, and the financial and legal industries.”

- Time Warner: “We’ve got an infrastructure there that is just ripe for commercial services We pass 1.2 million businesses”

**VoIP Is Now Widely Available To Any Customer That Has Access to Cable Modem
or Other Broadband Services**

Regardless of whether the cable companies themselves offer voice telephone service in a particular area, any customer who has access to cable modem or other broadband services also has access to VoIP from multiple providers.

- A. Any customer who has access to broadband service also has access to multiple providers of VoIP.
- VoIP expands the number of competitors that can offer mass market telephone service because they can offer VoIP over any type of broadband facility provided by any other company.
 - VoIP is either already available from or is now being deployed by a wide range of companies, including major long distance companies, such as AT&T and MCI, national VoIP providers such as Vonage, and numerous other national or regional providers.
 - For long distance carriers, VoIP appears to be the chosen method for serving the mass market.
 - AT&T is offering consumer VoIP in 46 metropolitan markets, plans to expand to 100 metropolitan markets by the end of this year, and expects to have at least one million customers by 2005.
 - MCI plans to launch a consumer VoIP initiative in 2004. Sprint is also looking to partner with cable companies to support VoIP, similar to its arrangement with Time Warner.
 - Level 3 recently launched a wholesale service that provides carriers with all the building blocks needed to provide residential VoIP service. This service is currently available in 50 U.S. markets, and will reach over 300 markets by the end of this year.
- B. Cable modem service and other broadband services are widely available both nationally and in Verizon's service areas in particular.
- Between 85 and 90 percent of U.S. homes have access to broadband service from a provider other than the incumbent local telephone company, principally cable modem service.
 - In the top 25 MSAs where Verizon provides local telephone service as an incumbent, cable modem service is available to roughly 92 percent of homes. *See Attachment 2.*

- The attached maps labeled "Map A" show that cable modem service is now generally available throughout these MSAs. *See* Attachment 12.
 - In the states where Verizon provides local telephone service as an incumbent, there already were nearly 10 million cable modem subscribers by the end of 2003 – a 44 percent increase since the previous year alone. *See* Attachment 3.
- C. VoIP competes directly with traditional telephone service and reflects the future of voice telephone service.
- Attachment 4 contains a series of charts that compare the prices and features of the voice telephone service offerings of several leading competitors, including VoIP providers, in each of Verizon's top 25 MSAs. *See* Attachment 4.
 - The attached charts show that VOIP offerings are very competitive and are typically priced 30-40 percent or more below comparable narrowband (circuit-switched) offerings.
 - In New York, for example: AT&T offers VoIP service for \$34.99 per month, compared to \$54.95 per month for its comparable UNE-P-based offering.
 - Time Warner offers a bundled package of local and long distance service for \$39.95. Cablevision offers a similar package for \$34.95.
 - Cablevision also recently introduced a bundled package of local and long distance, high speed internet access, and digital cable for \$89.85 – about the same price it previously charged for high speed access and digital cable alone.
 - And Vonage offers an unlimited local and long distance package for only \$29.99. BroadVoice and Packet8 offer similar packages for \$19.95.
 - For customers who have not yet subscribed to broadband service, the combination of broadband service and VoIP is competitive with what customers pay for a narrowband bundle of local, long distance and dial up internet access.
 - As shown in Attachment 5, the price for cable modem service plus VoIP typically is in the range of \$70 to \$95 per month; this is comparable to the price for dial up internet access plus a bundled local and long distance plan.

- This shows that VoIP offerings are competitive for the 32 percent of U.S. households that still use dial up access.
- Even at these low rates, VoIP providers are reporting spectacular profit margins. For example:
 - Cablevision estimates that its margins are 40-45 percent, and that it has a capital payback of 10 months.
 - Vonage reports margins of 70 percent, headed to 80 percent.
 - Kagan estimates that a voice-over-cable-broadband provider will have cash flow margins of 40 percent.
- And VoIP has rapidly gained acceptance as a replacement for traditional local telephone service.
 - For example, 86 percent of Time Warner's VoIP customers keep their old phone number as do 50 percent of Vonage customers.
 - In addition, consumer surveys indicate that "[r]oughly 34% of respondents that do not have VoIP [said they] would switch from their existing landline service to VoIP for cost savings."

**Wireless Carriers and Other Intermodal Competitors Are Competing Extensively
Both For Lines and For Minutes**

- A. Wireless carriers compete with incumbent wireline carriers both for local access lines and, even more extensively, for local and long distance calls.
- Since the time of the *Triennial Review* proceeding, wireless carriers are competing to an increasing degree to replace wireline access lines, as summarized in Attachments 6 and 7.
 - Since the *Triennial Review* proceeding, the number of wireless customers has grown from 137 million to 155 million, and the number is continuing to grow at 20 million customers per year, while the number of wireline access lines has declined.
 - Wireless service has already replaced over 19 million wireline access lines, and that number is expected to reach 34 million by 2007.
 - Since the *Triennial Review* proceeding, the percentage of wireless customers that have given up their primary wireline service has grown from 3-5 percent to 7-8 percent.
 - Approximately 2-3 million additional wireless customers are now giving up their wireline phones each year.
 - At least 14 percent of U.S. customers now use their wireless phone as their primary phone.
 - In addition, wireless carriers are competing even more extensively to displace telephone calls (thereby displacing revenue producing minutes) that previously used the switched wireline network, as summarized in Attachments 8 and 9.
 - Wireless service packages include unlimited long distance calling, which has directly contributed to wireline traffic substitution and increasing average minutes of use among the wireless carriers.
 - Merrill Lynch estimates that approximately 23 percent of all voice minutes were wireless in 2003 and that wireless could make up approximately 29 percent of all voice minutes in 2004.
 - The increase in wireless long-distance calls is even greater. The Yankee Group estimates that 43 percent of long-distance calls are now made on wireless phones.
 - By contrast, the FCC's own data show that toll minutes have declined rapidly for the wireline segment of the industry – from an

average of 149 minutes per month in 1997, down to only 90 in 2002.

- In total, consumers have reduced the number of long-distance minutes of use on landline phones by 40 percent over the past five years.
- Wireless carriers also now offer a variety of data services that compete for data traffic as well.

B. Wireless service is available from multiple providers throughout Verizon's service areas.

- The maps labeled "Map B" show that wireless service is widely available from multiple providers throughout the top 25 MSAs where Verizon provides local telephone services as the incumbent. *See* Attachment 12.
- Attachment 4 consists of a series of charts that compare the prices and features of the voice telephone service offerings of several leading competitors, including wireless offerings, in each of the top 25 MSAs where Verizon provides local telephone service as the incumbent.
 - Wireless carriers were the first to offer rate packages that included local and long distance calls, and wireline and cable companies have introduced their own bundled offering to respond to those wireless rate packages.
 - As these charts show, wireless service is now fully competitive with wireline service with respect to price. One Wall Street analyst notes that "[w]ireless pricing dropped below wireline pricing in 2003 for the first time."
 - The FCC itself and many other analysts have reached the same conclusion. In its 2003 CMRS Competition Report, the FCC said that "[t]he long distance, local, and the payphone segments of wireline telecommunications have all been losing business to wireless substitution . . . due to the declining cost and widespread use of wireless service."
- In addition to competitive pricing, consumers now report high levels of satisfaction with the quality of their wireless service. For example:
 - A GAO survey found that 83 percent of wireless users were satisfied with the call quality of their cell phone, while only 9 percent were dissatisfied.

- Analysts similarly report that “[c]ultural awareness and acceptance of wireless as an acceptable/preferred communication medium is growing.”
- C. Other sources of intermodal competition such as e-mail and instant messaging (IM) also now substitute for a large amount of traffic on switched wireline networks.
 - A large and growing fraction of this traffic originates and/or terminates on competitive networks, but even when carried over the incumbents’ network, such traffic displaces significant usage-sensitive (*e.g.*, per-minute or per call) revenues that incumbents otherwise would earn.
 - There are over 900 million e-mail accounts in the U.S. and over 60 million IM users.
 - Customers are sending approximately 3.2 billion e-mail messages and approximately 1 billion IM messages per day.
 - If only 10 percent of the 4.2 billion daily e-mail and instant messages substitute for a voice call, that is equivalent to about 650 billion minutes per year, or roughly one-third of all voice traffic that passes through the incumbents’ networks.

Competition from Competitors with Their Own Switches

Competing carriers also continue to use their own switches to provide competitive voice telephone service to mass market customers without using the incumbent carriers' unbundled switching. This is true both as a general matter and particularly in Verizon's top 25 MSAs.

- A. As of year-end 2003, competing carriers have deployed 10,000 switches nationwide, including approximately 1,200 circuit switches and 8,700 packet switches.
 - These switches already have been used to serve local customers in wire centers that contain approximately 86 percent of the Bell companies' access lines.
- B. In Verizon's service areas, competitive switches also have been widely deployed and, as shown below and in the accompanying maps, these switches are being used extensively to serve mass market lines.
 - In Verizon's top 25 MSAs, competitors are serving at least 2.1 million mass market lines using at least 133 of their own switches. *See* Attachment 10.
 - These numbers include only lines that competitors serve using their own switch and an unbundled DS-0 loop, plus lines that they serve using their own switch and loop and for which they have a residential E911 listing.
 - In the New York MSA, for example, competitors are serving approximately 415,000 mass market lines using at least 28 of their own switches within the MSA.
 - In the Philadelphia MSA, competitors are serving approximately 119,000 mass market lines using at least 14 of their own switches within the MSA and one switch located outside the MSA.
 - In the Buffalo-Niagara Falls MSA, competitors are serving approximately 51,000 mass market lines using at least 4 of their own switches within the MSA.
 - As shown in the maps labeled "Map C," these switches are capable of and are being used to serve customers located throughout Verizon's top 25 MSAs.
 - The maps depict the individual wire centers in each of these MSAs where competitors are using their own switches to serve mass market lines.

- In Verizon's top 25 MSAs, competitors are using their own switches to serve lines in wire centers that contain the vast majority of Verizon's access lines. *See* Attachment 11.
 - In the New York MSA, for example, competitors are serving lines in Verizon's wire centers that contain 93.3 percent of all access lines in the MSA.
 - In the Providence MSA, competitors are serving lines in Verizon's wire centers that contain 99.7 percent of all access lines in the MSA.
 - In the Virginia Beach MSA, competitors are serving lines in Verizon's wire centers that contain 88.9 percent of all access lines in the MSA.
- In addition, the maps labeled "Map D" depict the extensive geographic reach of competitive switches. *See* Attachment 12.
 - For each switch deployed by a competitor in one of Verizon's top 25 MSAs, Verizon determined the most distant mass market lines served by that switch and used that distance as the radius for a circle drawn around each switch to show the geographic area that could be served by that switch.
 - These maps provide further evidence that competitive switches are capable of serving customers throughout Verizon's top 25 MSAs.

DOCKET NO. 01-338

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